



FERRON & ASSOCIATES
A Legal Professional Association

John W. Ferron
jferron@ferronlaw.com

September 20, 2003

Via Fax, Email & Regular U.S. Mail

Douglas B. Schnee, Esq.
McDonald, Hopkins, Burke & Haber Co., LPA
2100 Bank One Center
600 Superior Avenue, East
Cleveland, Ohio 44114

Re: Renetta Cordle, et al. v. K.J.C., Inc., et al.
U.S. Dist. Ct., S.D. Ohio, E. Div., Civil Action No. C2-01-1000

Teresea O'Brien v. K.J.C., Inc., et al.
U.S. Dist. Ct., S.D. Ohio, E. Div., Civil Action No. C2-03-747

Dear Doug:

I am writing to confirm the terms of the settlement that has been negotiated between our clients in the above-referenced matters.

Renetta Cordle

In exchange for your clients' payment to Ms. Cordle of the sum of \$10,000.00, Ms. Cordle will accept two payments from your clients totaling this amount and execute a complete release of any and all claims of any kind against your clients. Of this total sum, \$2,000.00 shall be characterized as wages, subject to withholding and payroll taxes, and reported on a K.C.J., Inc. W-2 form to be issued in early 2004 for the year 2003. The remaining \$8,000.00 shall be characterized as "compensatory damages and interest," not subject to withholding or payroll taxes, and reported on a K.C.J., Inc. 1099-MISC form to be issued in early 2004 for the year 2003.

Rosalind Brown, Karen Bullock, Kathy Clouse, Ryan R. Cole, Kathy S. Francis, Natasha Francis, Samuel Gantner, Shirley Grimes, Jennifer Heitkamp, Sarah Jenkins, Sandy K. Lowmaster, Arietta Monnin, Kurtis O'Brien, Rebecca O'Brien, Dallas Pickering, Donna Prater, Sue Prater, William Roberts, Kathy Robinson, Thomas Rogan, Kyle Smith, Elizabeth Sunderland, Josh Willaman, Pamela Willmeth and Melissa Zeller

In exchange for their releases of any and all claims that were or could have been asserted in this Cordle case, Rosalind Brown, Karen Bullock, Kathy Clouse, Ryan R. Cole, Kathy S. Francis, Natasha Francis, Samuel Gantner, Shirley Grimes, Jennifer Heitkamp, Sarah Jenkins, Sandy K. Lowmaster, Arietta Monnin, Kurtis O'Brien, Rebecca O'Brien, Dallas Pickering, Donna Prater, Sue Prater, William Roberts, Kathy Robinson, Thomas Rogan, Kyle Smith, Elizabeth Sunderland, Josh

September 20, 2003
Page 2

Willaman, Pamela Willmeth and Melissa Zeller will accept the following two settlement payments from your clients:

<u>Plaintiff's Name</u>	<u>Payment to be Reported as 1099-MISC Payment</u>	<u>Payment to be Reported as W-2 Wages Paid</u>
Rosalind Brown	\$500.00	\$250.00
Karen Bullock	\$500.00	\$250.00
Kathy Clouse	\$500.00	\$250.00
Ryan R. Cole	\$500.00	\$250.00
Kathy S. Francis	\$500.00	\$250.00
Natasha Francis	\$500.00	\$250.00
Samuel Gantner	\$500.00	\$250.00
Shirley Grimes	\$500.00	\$250.00
Jennifer Heitkamp	\$1,250.00	\$450.00
Sarah Jenkins	\$500.00	\$250.00
Sandy K. Lowmaster	\$500.00	\$250.00
Arietta Monnin	\$1,250.00	\$450.00
Kurtis O'Brien	\$500.00	\$250.00
Rebecca O'Brien	\$500.00	\$250.00
Dallas Pickering	\$500.00	\$250.00
Donna Prater	\$500.00	\$250.00
Sue Prater	\$500.00	\$250.00
William Roberts	\$500.00	\$250.00
Kathy Robinson	\$1,250.00	\$450.00
Thomas Rogan	\$500.00	\$250.00
Kyle Smith	\$500.00	\$250.00
Elizabeth Sunderland	\$500.00	\$250.00
Josh Willaman	\$500.00	\$250.00
Pamela Willmeth	\$500.00	\$250.00
Melissa Zeller	\$500.00	\$250.00

The foregoing W-2 amounts would be subject to standard wage and withholding taxes, however each Plaintiff must be permitted the opportunity to execute a new W-4 before the deductions are calculated and checks are issued so that all withholding information, names and addresses will be current.

Teresea O'Brien

In exchange for your clients' payment to Ms. O'Brien of the sum of \$5,000.00, Ms. O'Brien will accept two payments from your clients totaling this amount and execute a complete release of any and all claims that were or could have been asserted in the O'Brien case. Of this total sum, \$1,500.00 shall be characterized as wages, subject to withholding and payroll taxes, and reported on a K.C.I., Inc. W-2 form to be issued in early 2004 for the year 2003, and the \$3,500.00 balance shall be characterized as "compensatory damages and interest," not subject to withholding or payroll taxes, and reported on a K.C.I., Inc. 1099-MISC form to be issued in early 2004 for the year 2003.

September 20, 2003
Page 3

Defendants shall also pay, and Plaintiffs and their counsel shall accept, the sum of \$112,400.00 to cover Plaintiffs' attorney's fees and costs incurred in these matters. No additional attorney's fees or costs shall be paid to Plaintiffs' counsel by Defendants beyond the \$112,400.00 agreed to herein provided the settlement is fully consummated by October 15, 2003.

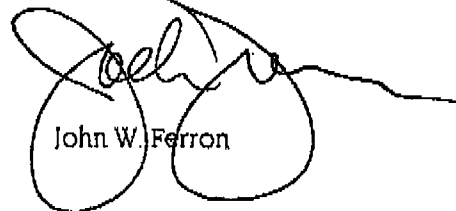
In consideration of Defendants' covenants and promises, each of the Plaintiffs' agrees never to seek employment or re-employment with the Custers or any McDonald's restaurant owned and operated by them. The parties acknowledge that the Defendants make no warranty or representation to Plaintiffs regarding the taxability or tax consequences of any payment made under the terms of this settlement. Plaintiffs agree not to bring any action or claim against, and agree to indemnify and hold harmless, Defendants, their agents, officers, shareholders, consultants, attorneys and insurers for any tax consequence, liability or penalty asserted by any tax authority relating to any monetary payment made under this settlement.

The terms of this settlement shall promptly be memorialized by the parties in a written settlement agreement and release agreement, and the parties' counsel shall together promptly move for the Courts' adoption of and approval of the terms of the settlement. Except for the Defendants' issuance of the W-2s and 1099s, all of the other terms of this agreement shall be fully consummated no later than October 15, 2003. If there are any disagreements in regard to the terms to be included within the parties' written settlement agreement and release, or in regard to any other aspect of this settlement, the parties agree that the dispute shall be resolved by Magistrate Judge King.

Thank you.

Very truly yours,

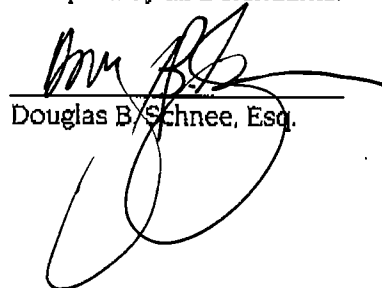
FERRON & ASSOCIATES
A Legal Professional Association



John W. Ferron

JWF/ms
cc: All Clients

Accepted by all Defendants:



Douglas B. Schnee, Esq.